

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

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4 In re:

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6 LEHMAN BROTHERS HOLDINGS INC.,

7 Case No. 08-13555(SCC)

8 Debtor.

9 - - - - - x

10 In re:

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12 LEHMAN BROTHERS INC.

Adv. Case No. 08-01420(SCC)

13 - - - - - x

14

15 U.S. Bankruptcy Court

16 One Bowling Green

17 New York, New York

18

19 March 5, 2015

20 10:55 AM

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23 B E F O R E :

24 HON SHELLEY C. CHAPMAN

25 U.S. BANKRUPTCY JUDGE

1 Hearing re: Adv. 08-01420 - Doc #9529 Two Hundred Fifty-
2 Fifth Omnibus Objection to General Creditor Claims re: Claim
3 of TTSD Trust U/A/D 6/7/07 (Claim No. 9001006)

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5 Hearing re: Doc# 19399 One Hundred Seventy-Third Omnibus
6 Objection to Claims (No Liability Employee Claims)

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25 Transcribed by: Dawn South

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1 P R O C E E D I N G S

2 THE COURT: Thank you very much for coming out in
3 the snow to be down here today.

4 Let me check to see who we have on the line. I
5 have Mr. Michael Collins. Are you there, sir?

6 MR. COLLINS: Yes.

7 THE COURT: All right, good afternoon.

8 Ms. Barbara Donahue, are you there, ma'am?

9 MS. DONAHUE: Yes, ma'am, I'm here.

10 THE COURT: All right, very good. Thank you.

11 Mr. Donald Dybeck of Dybeck, are you there, sir?

12 MR. DYBECK: Yes, Dybeck is the name, yes, I'm
13 here.

14 THE COURT: All right, very good. And Mr. Raj
15 Iyer? Are you there? Listen only. Okay. And Mr. Michael
16 Linn from Farallon Capital Management on listen only.

17 Is anyone else on the line on a live wire who
18 wishes to note their appearance?

19 Okay. Ready when you are.

20 MR. KOBAC: Good morning, Your Honor, James Kobak,
21 Hughes Hubbard & Reed, on the only matter on LBI calendar
22 this morning is the sufficiency hearing with respect to the
23 claim of TTSD Trust, and I believe Ms. Donahue as you know
24 that is on the phone.

25 THE COURT: Okay.

1 MR. KOBAK: I'll try to keep this brief.

2 This is a claim based on an account that was
3 opened with Neuberger Berman in June of 2007, I think it
4 originally contained a million dollars, and the claim is for
5 approximately \$200,000, which I think is for money that was
6 removed from the account because of a garnishment, although
7 it's a little unclear from the papers.

8 But in any event, every document and piece of
9 information submitted by the claimant shows that this was
10 always a Neuberger Berman account, Neuberger Berman was a
11 wholly-owned subsidiary of LBHI, not LBI, and was a sister
12 company of LBI. LBI cleared for it, but Neuberger had the
13 account relationship with the customer.

14 The claimant has made various claims at different
15 stages. One was that the account was wrongfully transferred
16 without her permission.

17 As the Court is aware, as part of this proceeding,
18 the clearing relationship that LBI had had with Neuberger
19 Berman was transferred to Ridge Clearing, that was approved
20 by the Court's order approving all the account transfers and
21 related agreements in December of 2009, and the Neuberger
22 Berman agreement is specifically referred to on the top of
23 page 3 of that order, and that's ECF number 2338.

24 And in addition to that, as the order recites,
25 SIPA provides that accounts can be transferred without the

1 consent of the customer, that's Section 78fff-2f of SIPA.

2 So the transfer can't be the basis for a claim.

3 The claims that funds were removed because of a
4 garnishment, I believe that happened after the filing date
5 and after the clearing obligations were transferred to Ridge
6 pursuant to the Court order, so that can't be a basis for a
7 claim here.

8 In any event --

9 THE COURT: What was the date again of the
10 transfer to Ridge?

11 MR. KOBAK: September 22nd, 2008.

12 THE COURT: Thank you.

13 MR. KOBAK: And I believe the garnishment took
14 place in October of 2008 according to an opinion that we
15 cited of the California state courts.

16 In any event, it would be a claim against
17 Neuberger if there was a claim.

18 And I'll also note that the garnishment order was
19 upheld by an appellate court in California.

20 There were allegations made by the claimant for
21 the first time after our objection in August of 2014 that
22 back in 2007 she faxed instructions, apparently it doesn't
23 make much sense to me, but the day after the account was
24 opened to remove the court -- remove the account to New York
25 from California, whatever that means. Even if that's true

1 it would be a failure to act by Neuberger Berman, not by
2 LBI. I don't think LBI would have accepted that account any
3 way because all these accounts were maintained in the so-
4 called Pam account range.

5 But in any event, not only is that not something
6 that LBI would be responsible for, but there's really no
7 allegation of any causation or damages resulting from that.

8 And finally at various times there are allegations
9 of general mismanagement and fraud by Lehman Brothers,
10 including the repo 105 transaction and some references to
11 Mr. Fall, but there's no allegation of any causal connection
12 between any of those vague allegations and damage to the
13 Neuberger Berman account. And in addition these were
14 actions of LBHI, not LBI.

15 So in sum, from anything that we've been able to
16 divine from any of the statements that have been made at any
17 time we don't see any basis on which LBI or the estate could
18 possibly have a liability.

19 THE COURT: All right. Thank you very much.

20 Ms. Donahue?

21 MS. DONAHUE: Yes, ma'am.

22 THE COURT: Do you wish to be heard?

23 MS. DONAHUE: Yes, please.

24 THE COURT: Okay, I'm all ears.

25 MS. DONAHUE: Thank you.

1 Well first and foremost I want to thank Your Honor
2 very much for allowing to continue to today, which allowed
3 me to go to my son's promotion ceremony. Two weeks ago that
4 really, really kind of the Court.

5 THE COURT: Certainly.

6 MS. DONAHUE: And I'm very, very grateful for
7 that.

8 THE COURT: We wish him the very best.

9 MS. DONAHUE: Thank you so much. Very, very kind.

10 So yes, to address all of those points raised, and
11 again, I do apologize if (indiscernible) should be as pro se
12 I'll just have to kind of get through it.

13 They're alleging, as I understand, that there's no
14 legal or factual basis. That's the first thing.

15 They're also asserting a claim that I'm seeking to
16 recover assets which were not held at LBI.

17 They're also -- I'm sorry.

18 THE COURT: I'm sorry, if you could just speak a
19 little bit more slowly so I can hear everything.

20 MS. DONAHUE: Oh, I'm certainly sorry.

21 As I understand it, Your Honor, there's four kind
22 of claims that they're making.

23 The first would be that there's no legal or
24 factual basis to allow for the claim against LBI.

25 The second would be that I'm trying to recover an

1 asset that which was held in an account which was not LBI.

2 The third, as I understand it, is that LBI just
3 provided clearing services.

4 And if fourth as I understand it is that I'm
5 alleging wrong doing not against LBI.

6 Now to address those points and also what was just
7 raised in arguments just now, that couldn't be further from
8 the truth.

9 We opened the account, this is correct, in 2007
10 with Neuberger Berman, which is a wholly-owned subsidiary
11 entity of Lehman Brothers Inc. At that point in time I was
12 living in California --

13 THE COURT: Ms. Donahue, I'm going to interrupt
14 you just as I would if you were in the courtroom.

15 MS. DONAHUE: Yes.

16 THE COURT: That first statement is not correct.
17 Neuberger Berman was a wholly-owned subsidiary of Lehman
18 Brothers Holding (sic) Inc., that's a different entity from
19 LBI, from --

20 MS. DONAHUE: Right.

21 THE COURT: -- Lehman Brothers Inc. It's a very
22 important distinction.

23 MS. DONAHUE: Right. Okay. Yes, Your Honor.

24 THE COURT: Okay?

25 MS. DONAHUE: Okay. So -- but what we did at that

1 point I was moving back to New York, which is why I wanted
2 the transfer to happen from California. We then -- it's
3 very, very specific in the agreements that we signed that
4 says it has to be in writing if we wanted to do any kind of
5 transfer, it's on the Neuberger Berman discretionary
6 investment advisory agreement page 1, item 1, it says
7 instructions about the account must be in writing. So we
8 did just that.

9 THE COURT: Okay. I'm going to stop you again.
10 So let's try to --

11 MS. DONAHUE: Okay.

12 THE COURT: -- what I'm going to do is try to find
13 points of agreement. And the first one appears to be that
14 you agree that this was a Neuberger Berman account, correct?

15 MS. DONAHUE: It was opened as a Neuberger Berman
16 account, yes, ma'am.

17 THE COURT: It was always a Neuberger Berman
18 account.

19 So when we take that very important predicate fact
20 and then take the next step, which is that with respect to
21 the activity in the Neuberger Berman account LBI, Lehman
22 Brothers Inc., was the clearing broker. Agree?

23 MS. DONAHUE: Well on that day at that point in
24 time but not thereafter, yes, ma'am.

25 THE COURT: Well you heard Mr. Kobak describe when

1 the clearing function was transferred.

2 MS. DONAHUE: Well, I did, and I guess jumping
3 ahead if I may, one of the biggest points is that when we
4 were refunded our money from this account it came from a
5 Bank of New York Mellon account which was wholly-owned by
6 Lehman Brothers Inc., not Lehman Brothers Holding (sic) Inc.

7 THE COURT: What's your -- what is your basis for
8 that statement?

9 MS. DONAHUE: The printout sheet I got, which I
10 furnished to the Court and furnished to the other side,
11 showing the Bank of New York Mellon account and the account
12 number, which we had traced right to Lehman Brothers Inc.,
13 not to Lehman Brothers Holding (sic) Inc.

14 THE COURT: So you're asserting that Lehman
15 Brothers Inc. owned Mellon Bank?

16 MS. DONAHUE: No, ma'am, they had an account at
17 Mellon Bank, and from that account that was the check that
18 was issued to me for my funds. It went directly to
19 California Bank & Trust, and we traced it back that way.

20 THE COURT: If you give me a minute I'm trying to
21 look at what you're talking about.

22 MS. DONAHUE: Thank you, ma'am. It was in the
23 papers submitted February 23rd.

24 THE COURT: Right. The -- are you talking about
25 checks that were drawn by Mr. Nahien (ph)?

1 MS. DONAHUE: No, ma'am, I'm -- we closed the
2 account and in refunding the money to us from closing the
3 account that's where it came from, Bank of New York Mellon
4 under account -- under an account for Lehman Brothers Inc.

5 THE COURT: Just give me a moment, I'm trying very
6 hard to understand what you're telling me, and I'm just not
7 seeing it. So, I'm just looking back through all the
8 documents you submitted to see if I can figure out what
9 you're saying.

10 MS. DONAHUE: Thank you, ma'am. It was attached
11 to the request for judicial notice. I sent it
12 February 17th, Mr. White kindly logged it in on
13 February 23rd.

14 THE COURT: Okay. Hold on just one second, let me
15 try to find it. Are you talking about --

16 MS. DONAHUE: Thank you.

17 THE COURT: -- a wire transfer sheet?

18 MS. DONAHUE: Yes. Yes, at the very bottom it
19 says four-wires report-page 1/2.

20 THE COURT: Okay. So the -- it was a wire into
21 the trust account, correct?

22 MS. DONAHUE: Correct, yes, ma'am.

23 THE COURT: Of \$780,384.29, right?

24 MS. DONAHUE: Exactly correct.

25 THE COURT: Okay. And that's, as you said,

1 attached to your request for judicial notice dated
2 February 17th, 2015.

3 MS. DONAHUE: Yes, ma'am.

4 THE COURT: And then three quarters of the way
5 down the page at the bottom there's something that says OGB,
6 maybe perhaps that's originating bank, I don't know, and
7 there's a number --

8 MS. DONAHUE: Yes.

9 THE COURT: -- 8661169975, and then written in
10 pencil, I don't know whose handwriting it is, that says Bank
11 of New York Mellon account.

12 MS. DONAHUE: Exactly correct, yes, ma'am.

13 THE COURT: Okay. And you're telling me that the
14 meaning of that is what?

15 MS. DONAHUE: That that is a Lehman Brothers Inc.
16 account, not a Lehman Brothers Holding (sic) Inc. account.

17 THE COURT: All right. Let's take a pause for a
18 moment on that and let me ask Mr. Kobak what he thinks about
19 that.

20 And I just want to remind you, Ms. Donahue, what
21 we're trying to do here today. This is under the rubric of
22 the Lehman cases what we call a sufficiency hearing. I'm
23 supposed to try to determine whether or not your claim kind
24 of gets out of the starting gate, whether there's enough
25 here, even assuming everything that you say is true for

1 there to be the basis of a claim. I'm not here today to
2 resolve factual differences. So that's why I'm asking
3 Mr. Kobak what he thinks about this and whether or not it
4 makes a difference in terms of Lehman's -- LBI's view of the
5 sufficiency of your claim.

6 So, Mr. Kobak, do you have the --

7 MR. KOBAK: I do have it.

8 THE COURT: -- spot that we're looking at?

9 MR. KOBAK: I do have it in front of me, Your
10 Honor.

11 THE COURT: All right.

12 MR. KOBAK: And the date of this transaction, as
13 the document shows, is October 8th, 2008, which is well
14 after, at least a week or ten days, after the account
15 transfer took place. So there's no way that these funds
16 could have come --

17 THE COURT: The account --

18 MR. KOBAK: -- from us.

19 THE COURT: -- transfer took place from -- to --

20 MR. KOBAK: To Ridge. I'm sorry, the transfer of
21 the clearing agreements took place. So the relationship
22 after this the money would have come -- would have had to
23 come through Ridge, it couldn't have come from us.

24 THE COURT: Well -- okay.

25 See the problem I have, Ms. Donahue, is that

1 you're telling me that this is a Bank of New York Mellon
2 account that was owned by LBI, and I have no way of -- I'm
3 not intending to impugn your honesty -- but I have no way of
4 knowing whether or not that's true. That's an issue that
5 would have to be proven with actual evidence.

6 MR. KOBAK: Your Honor, if I may.

7 MS. DONAHUE: Right. And --

8 THE COURT: Hold on, Mr. Kobak just --

9 MR. KOBAK: I have one other point --

10 THE COURT: -- wanted to say one more thing.

11 MR. KOBAK: -- which is, it seems to me the money
12 would have come from the clearing broker any way because
13 that's one of the functions that they serve.

14 So the fact that -- even if it had come from LBI
15 it wouldn't show that the relationship was anything other
16 than a Neuberger Berman relationship.

17 THE COURT: Right. So in other words what you're
18 saying is that in the event, for whatever reason, the
19 accounts hadn't transferred the clearing broker, be it Ridge
20 or LBI, would have cleared the trades and then transferred
21 the funds.

22 MR. KOBAK: Yeah, exactly, Your Honor.

23 THE COURT: Okay. The problem --

24 MS. DONAHUE: If I may, Your Honor?

25 THE COURT: The problem --

1 MS. DONAHUE: If I may, Your Honor?

2 THE COURT: The problem, Ms. Donahue, is that you
3 haven't given me any pieces of paper that show that there's
4 a relationship between the trust and any Lehman entity.

5 MS. DONAHUE: Well, Your Honor, if I may, I
6 furnished -- in my exhibits I furnished all the consolidated
7 1099's, and on every 1099 it says Lehman Brothers Inc., it
8 does not mention anything about any holding company. The
9 address listed on Hudson Street is an address for Lehman
10 Brothers Inc., not a holding company. The taxpayer, the
11 federal ID number is a Lehman Brothers Inc. tax ID number,
12 it's not a holding entity tax ID number, it's not a
13 Neuberger Berman one, it is a --

14 THE COURT: Where -- slow down, please. Where are
15 these 1099's?

16 MS. DONAHUE: They were submitted as exhibits,
17 Your Honor, in my original opposition, which was submitted
18 -- let me look, I think it was back in September. Yes,
19 ma'am, they -- it was submitted -- I'll give you a exact
20 date, August 11th, 2014.

21 THE COURT: Okay.

22 MS. DONAHUE: They are the exhibits that were
23 attached to that, and they're all the 1099's.

24 THE COURT: Okay. Let me get there. Let me try
25 to get there.

1 MS. DONAHUE: Thank you. Thank you.

2 THE COURT: All right. I see the Neuberger Berman
3 discretionary advisory account agreement.

4 MS. DONAHUE: This I believe was Exhibit 5, ma'am.

5 THE COURT: Okay. And then Exhibit 4 is a
6 Neuberger Berman client statement. Okay. Exhibit -- I
7 think Exhibit 5, is that the one that --

8 MS. DONAHUE: Yes, ma'am.

9 THE COURT: -- I should be looking at?

10 MS. DONAHUE: I believe so, ma'am, at the very top
11 it says 2007 consolidated form 1099.

12 THE COURT: I'm looking at it. Unfortunately the
13 -- at the upper right it says payer and I can't read what I
14 says.

15 MS. DONAHUE: Upper right should say --

16 THE COURT: I'm sorry, upper left.

17 MS. DONAHUE: Oh, okay, thank you. Yes, it says
18 payer and underneath it Lehman Brothers Inc., 70 Hudson
19 Street, 7th Floor --

20 THE COURT: Okay.

21 MS. DONAHUE: Jersey City, New Jersey.

22 THE COURT: I have it.

23 MS. DONAHUE: As you see, Your Honor, that goes
24 right to the TTSD Trust, so that shows you who the recipient
25 was, it's a 1099. The federal ID number there on the --

1 THE COURT: Okay.

2 MS. DONAHUE: -- left-hand side --

3 THE COURT: Okay. I'm with you now.

4 MS. DONAHUE: Okay.

5 THE COURT: And you're saying that this is
6 evidence that Lehman Brothers Inc. owned your account?

7 MS. DONAHUE: Yes, ma'am because the federal ID
8 number relates to Lehman Brothers Inc., that's not a --

9 THE COURT: Okay. But even if the federal ID
10 number relates to Lehman Brothers Inc. let me give you an
11 example. If you maintain accounts, I'll pick another
12 broker, let's say I'll try to pick someone that everyone has
13 heard of, say Charles Schwab, right?

14 MS. DONAHUE: Uh-huh.

15 THE COURT: So Charles Schwab at the end of the
16 year when it's tax time you might have your money at Charles
17 Schwab and Charles Schwab might -- you might have that money
18 in various accounts, fidelity accounts or other types of
19 investment accounts, and Charles Schwab is sending you the
20 information about what dividends have been paid to you
21 through them based on the investments in those accounts.
22 That doesn't mean that Charles Schwab owns those accounts.

23 So this piece of paper indicates that LBI, Lehman
24 Brothers Inc., was the payer of what looks like interest
25 income and dividends, but that does not establish that LBI

1 -- that you had an account with LBI. This document is
2 consistent with LBI acting as the clearing broker for the
3 underlying Neuberger Berman account prior to the time that
4 the clearing function was transferred to Ridge.

5 Your -- the documents that you've submitted
6 establishing the account are -- it's a Neuberger Berman
7 account. You haven't given me any documents that establish
8 that there is an account other than the Neuberger Berman
9 account in the name of TTSD Trust.

10 MS. DONAHUE: Well, Your Honor, the thing that I
11 don't understand about that then is then why give a Lehman
12 Brothers tax ID number, why wouldn't it be a Neuberger
13 Berman tax ID number, and why did they change our account
14 number? The account that was opened with Neuberger Berman
15 is not the same account number that's on that actual
16 statement that you're looking at. Our original account
17 number began with 537, that account number is 555. In the
18 transfer to Lehman Brothers they changed our account number.
19 We also verified --

20 THE COURT: Ms. Donahue, after that did you get
21 account statements from LBI?

22 MS. DONAHUE: We got -- for the longest time ever
23 we got no account statements at all, we just got these --
24 this 1099 at the end of every year. And as I say, my
25 attorney at the time, Mr. Nahien, confirmed all this. I

1 mean we -- when we dialed the number that we were given,
2 that 877 number, they answered the phone Lehman Brothers,
3 they don't answer the phone Lehman Brothers Holding (sic),
4 they don't answer the phone Neuberger Berman. We did our
5 due diligence to make sure this transfer happened as we had
6 specified.

7 THE COURT: Mr. Kobak?

8 MR. KOBAK: I think that the prefixes that she's
9 referring to really what they reflect is a different prefix
10 from LBI's clearing account to the Ridge clearing account,
11 and it took place after the account transfers.

12 THE COURT: What's your response to the suggestion
13 that this document demonstrates that LBI owned the accounts
14 because it was paying dividends?

15 MR. KOBAK: Well it would be paying the dividends,
16 it doesn't mean that the account relationship wasn't with
17 Neuberger Berman. The document before that, which is
18 Exhibit 4, is an account statement, and it shows clearly
19 that it's a Neuberger Berman account, also indicating that
20 LBI was the clearing broker at that time.

21 THE COURT: All right. Ms. Donahue, there's a
22 document in your submissions called capital gain schedule.

23 MS. DONAHUE: Yes, ma'am. But I would also --

24 THE COURT: Hold on, Ms. Donahue. There's a
25 document that's attached to the trustee's papers that's a --

1 it's a landscape printing, you know, sideways, and it's
2 called capital gain schedule. Do you know which document
3 I'm talking about?

4 MS. DONAHUE: Yes, ma'am.

5 THE COURT: It's Exhibit 3 to the declaration of
6 Mr. Havalic. Do you have that?

7 MS. DONAHUE: Yes, ma'am.

8 THE COURT: Okay. So that says capital gain
9 schedule, and the dates are from January 1st, 2008 to
10 December 31st, 2008. Do you see that?

11 MS. DONAHUE: Yes, ma'am.

12 THE COURT: Right. And that is -- and it says
13 under portfolio number, it's blocked out, and then in
14 parentheses it says "Ridge number," right? So this is your
15 account activity, right?

16 MS. DONAHUE: Well, you know, and in fact we're
17 not certain of that. I looked at that document and I don't
18 know that, because the one document I have from Ridge
19 Clearing is not that document, it's a check, and it's
20 completely different, and it's a check for \$11.47.

21 THE COURT: Well --

22 MS. DONAHUE: So we -- we aren't able to verify
23 that document.

24 THE COURT: But this document came from your
25 attorney, it came from Mr. Nahien, he sent it in to the

1 trustee.

2 MS. DONAHUE: Right, and he unfortunately has --
3 is deceased, and I can't access his files, so I --

4 THE COURT: Well, but you -- we have the document
5 and he sent it to the trustee, and on its face it's a client
6 statement from Neuberger Berman and it covers the periods of
7 2008 and 2009.

8 MS. DONAHUE: Right, Your Honor, I'm not -- again,
9 I'm not disagreeing with that, it says Ridge Clearing and
10 Outsourcing Solutions, I have other documents that say that
11 on there, but that -- and in fact one check that I have came
12 from Bank of America, I mean it's not --

13 THE COURT: Okay. Let's try to stay with this
14 issue. A document --

15 MS. DONAHUE: We --

16 THE COURT: -- that your attorney submitted to
17 Mr. Giddens in May of 2009 in support of your claim in this
18 case is an extensive capital gain schedule and Neuberger
19 Berman account statement, and it lists an extensive
20 portfolio of securities and the capital gains there from,
21 and I have to accept that as being in fact what it appears
22 to be, unless what you're going to -- unless what you're
23 telling me is that somehow it's not.

24 MS. DONAHUE: Well, I think what I'm saying, Your
25 Honor, is that document and all the client statements,

1 everything that we got say on there a Lehman Brothers
2 company.

3 THE COURT: Okay. Well let -- if that is -- if
4 that's the crux of what your contention is I will agree with
5 you that in a lot of instances there was letterhead and
6 there was other promotional type materials that for better
7 or worse used the shorthand Lehman or Lehman Brothers. But
8 early on in this case my predecessor, Judge Peck, who
9 presided over this case from the time it was filed until a
10 year ago, held on numerous occasions that there was no basis
11 to ignore the distinctions between and among the various
12 Lehman entities. Most importantly I would say between LBI,
13 which was a broker/dealer and was only permitted to engage
14 in certain activities on the one hand, and Lehman Brothers
15 Holding (sic) Inc., which was the parent company and the
16 holding company of a whole slew of other subsidiary
17 companies, all of which have been dealt with separately.

18 So the mere fact that there's correspondence that
19 says Neuberger Berman is a Lehman Brothers company that's
20 actually quite accurate. LBHI owned Neuberger Berman but
21 sold Neuberger Berman. And just as was the case with
22 respect to the big sale of Lehman that everyone read about
23 in the paper, which is to say the sale of Barclays, all of
24 those accounts got transferred to Barclays, the Neuberger
25 Berman accounts are Neuberger Berman accounts when the

1 clearing function was transferred after LBI was placed in a
2 SIPA proceeding the clearing function was transferred and in
3 no instance were any of the account holders entitled to any
4 notice, and there's a good reason for that, and that's
5 because it recognizes the ministerial nature of the function
6 of LBI in those situations, and everything was done after
7 the filing dates under the oversight of this court and under
8 the oversight of SIPA with respect to LBI.

9 So, I'm -- it's my job today to give you the
10 benefit of every doubt, but I still have not heard anything
11 that enables me to identify any basis on which LBI or any
12 other Lehman entity would have responsibility for what
13 occurred with respect to your Neuberger Berman account.

14 As far as I can tell you seem to be complaining
15 about funds that were taken out of the account pursuant to
16 the -- a California garnishment, and --

17 MS. DONAHUE: No, ma'am, that's actually related
18 to a different account.

19 THE COURT: What is your theory or your thesis of
20 where the \$200,000 went from your Neuberger Berman account,
21 the account that you believe is an LBI account?

22 MS. DONAHUE: Well, I think, Your Honor, I think
23 it's -- and I appreciate your comments first and foremost --
24 I think it's kind of a twofold issue here.

25 I think that they're assuming, and they being, you

1 know, Lehman Brothers, Neuberger Berman, they're assuming
2 more knowledge on the part of their investors than should be
3 reasonably acceptable, perhaps it's almost a decisive or a
4 God faith situation.

5 When I, you know, open an account and I then ask
6 to have the account moved and I put it in writing as I'm
7 told to do and I follow up and I call phone numbers and
8 people answer Lehman Brothers and I get account statements
9 -- pardon me -- 1099's that say only Lehman Brother on then,
10 not holding, not Ridge, not anything, when I go to the next
11 step of checking the federal ID number and I find that the
12 federal ID number relates only to Lehman Brothers Inc., not
13 to holding, not to anyone else, when I see that my account
14 number has been changed, when I check it with Epiq
15 Solutions, I felt that I did way more than due diligence to
16 make sure that they had followed my instructions and that my
17 account --

18 THE COURT: Ms. Donahue, I'm so sorry, but I'm
19 going to take you back to the basics here, which is that the
20 trust, TTSD Trust, executed an account agreement with
21 Neuberger Berman, correct?

22 MS. DONAHUE: I'm sorry, I didn't quite hear.

23 THE COURT: The trust account is -- was between
24 the TTSD Trust and Neuberger Berman, correct?

25 MS. DONAHUE: Initially, correct.

1 THE COURT: Okay. Did it -- in your view when did
2 it cease to be a Neuberger Berman account?

3 MS. DONAHUE: Within the week of opening the
4 account itself.

5 THE COURT: And what's your basis of that view
6 that it ceased to be a Neuberger Berman account?

7 MS. DONAHUE: Thank you, Your Honor, because we
8 opened it on June 14th, 2007 and on June 15th, 2007, as per
9 the discretionary investment advisory agreement, we notified
10 them in writing to transfer the account to Lehman Brothers.

11 THE COURT: I'm sorry, could you --

12 MS. DONAHUE: And then once --

13 THE COURT: -- say that again? On --

14 MS. DONAHUE: Yes, ma'am. We opened the account
15 on June 14th, 2007 with Neuberger Berman, we immediately,
16 per their discretionary investment advisory agreement, put
17 in writing our instructions to transfer the account to their
18 parent company, Lehman Brothers, and then on the 22nd
19 Mr. Nahien followed up on that to confirm that that had been
20 done.

21 THE COURT: Is there a -- so why is it that you
22 opened the account at Neuberger Berman and then a week later
23 wanted it transferred to Lehman Brothers?

24 MS. DONAHUE: Because at the time I was located in
25 Los Angeles, Your Honor, and I was --

1 THE COURT: Because why?

2 MS. DONAHUE: I was living in Los Angeles, which
3 is where Neuberger Berman is, and I was being transferred
4 back to New York, which is really where I'm from, and so I
5 wanted the account to be with Lehman Brothers, because not
6 only am I from New York, that's where Lehman Brothers' head
7 office is, and I actually at that point lived in Greenwich,
8 Connecticut --

9 THE COURT: Ms. Donahue, I'm just -- if you could
10 see me I'm scratching my head, because Neuberger Berman has
11 always been in New York, so I'm now -- I'm getting even more
12 confused --

13 MS. DONAHUE: No, Lehman Brothers --

14 THE COURT: -- and I'm looking at your customer
15 claim form, which is Exhibit I to the Havalic declaration,,
16 and under basis for claim -- on that customer claim form it
17 states that LBI owes the trust \$203,161.40, and it says
18 basis for claim, "Funds taken illegally from this account
19 without permission, account was based in New York, funds
20 were taken out in California." So that's the basis of your
21 claim, the bar dates have all come and gone. What does that
22 statement mean, account was based in New York, funds were
23 taken out in California?

24 MS. DONAHUE: We asked to have the account
25 transferred to New York in the course of --

1 THE COURT: The account was always in New York and
2 you in your proof of claim state that the account was based
3 in New York. Neuberger Berman was always and still is in
4 New York in terms of the physical edifice in which people go
5 to work, but as you know nowadays, you know, there's not
6 money and paper stock certificates in a vault somewhere,
7 everything is electronic. So by your own account the
8 Neuberger Berman account was based in New York.

9 I can, based on previous proceedings in this
10 court, indeed I can take judicial notice of the fact that
11 Neuberger Berman during all relevant times was always in New
12 York.

13 So let's move on to the funds were taken out in
14 California. What does that statement mean?

15 MS. DONAHUE: Well, Your Honor, I'm just a little
16 confused because Neuberger Berman was in Los Angeles and I
17 went into their offices in Los Angeles to open this account.
18 So when my funds were transferred to LBI in New York it came
19 up missing, this \$200,000, and when we were -- had the money
20 returned to us, which is the statement -- the bank transfer
21 statement you can see right there it was short \$200,000.
22 But I went into the Neuberger Berman offices in Los Angeles,
23 not in New York to open this account.

24 THE COURT: Well let me keep going here. Attached
25 to your proof of claim is a document to George Walker and

1 Joseph Amado (ph). "Gentlemen, please be advised that I
2 will be filing a multi-million dollar lawsuit on behalf of
3 my two children against Neuberger Berman." And you go on to
4 recite that you're suing a number of other individuals and
5 law firms, et cetera, and then you go on to say:

6 "Mr. Warneck (ph) responded incorrectly to a
7 garnishment. This fact was pointed out to him by my lawyer,
8 Melvin Nahien, and even though he promised in a telephone
9 call on speakerphone in front of witnesses that he would
10 amend his response he never did. The correct response would
11 have shown this account not to be subject to the garnishment
12 in question," and so forth and so on.

13 So -- and then you go on to say, "That while all
14 of this was going on Neuberger Berman purchased a \$250,000
15 bond with my children's funds." It's a carbon copy to the
16 managing director's of Hellman & Friedman and the managing
17 directors of Bain Capital, and there's a handwritten PS that
18 says:

19 "Additionally this account was maintained in New
20 York and funds were released in California without a sister
21 state motion judgment ever being filed, which is an SEC
22 violation."

23 So those allegations seem to me to be consistent
24 with an earlier version, if you will, of your claim that
25 what you're really complaining about is a wrongful

1 garnishment of that account which occurred on Neuberger
2 Berman's watch by your own words. Your words on this piece
3 of paper submitted as a document under the Bankruptcy Code
4 and SIPA in this court outline allegations only about
5 Neuberger Berman and a wrongful taking out of funds in
6 California, which foots with the narrative of the wrongful
7 garnishment.

8 So if your claim is now something else that
9 doesn't relate to this it is out of time. The bar dates
10 have long passed and it's not permissible to come up with
11 wholly new claims. So that's among the many things I'm
12 struggling with here today, that's what I'm struggling with.

13 So, I need you to tell me once again or I'm going
14 to have to move on, because I do have a number of others
15 waiting to be heard today, what it is that you're telling me
16 is in fact your claim. Because the -- it was an LBI account
17 and LBI stole my money claim is not what's on your customer
18 claim form. And remember, the customer claim notion earlier
19 was also resolved that there was no customer claim here,
20 this entire dispute is over whether or not you have a -- the
21 trust has an unsecured claim.

22 So, I know I've been speaking for a long time, but
23 I'm going to ask you once more to tell me again what you
24 believe your claim is.

25 MS. DONAHUE: Well, thank you, Your Honor.

1 Our entire contention is that even though the
2 account was opened in Neuberger Berman it was only opened
3 there because they were the entity in Los Angeles. We
4 immediately, per their instructions, notified them that we
5 wanted our account to go to Lehman Brothers Inc. That's my
6 whole contention right there. We did not want a Neuberger
7 Berman account, we wanted a Lehman Brothers account, we
8 followed their instructions that it should be transferred to
9 Lehman Brothers, we followed --

10 THE COURT: So subsequent -- but subsequent to
11 that time, if I accept that as true, which I will emphasize
12 again, forms no part of what the documentation of your claim
13 was and is entirely inconsistent with the documentation of
14 your claim, subsequent to that time the trust received
15 account statements from Neuberger Berman.

16 So you're telling me today that days after going
17 into a Neuberger Berman office in Los Angeles, which I will
18 accept that as true, and signing a discretionary account
19 agreement with Neuberger Berman, you had a change of heart
20 and there were written instructions that said we don't want
21 to do this, we want an LBI account. I don't --

22 MS. DONAHUE: Yes, ma'am.

23 THE COURT: -- I don't see any of that.

24 But then what -- what then happened subsequently
25 was very complete statements from Neuberger Berman were

1 issued by Neuberger Berman to the trustee, care of
2 Mr. Nahien, and then nothing else happened in terms of a
3 follow up where anyone said, wait, this is supposed to be an
4 LBI account and it's not.

5 What appears to have happened next, and your
6 letter underscores this, is that there was activity with
7 respect to the Neuberger Berman account, and you then
8 complained about that activity because you believed that the
9 funds were wrongfully withdrawn from the Neuberger Berman
10 account.

11 So it's inconsistent to say that this was an LBI
12 account and on the other hand to be complaining of activity
13 in a Neuberger Berman account.

14 MS. DONAHUE: I think actually, Your Honor, that's
15 the crux of the issue, because it was to have been an LBI
16 account at that point so there shouldn't have been any
17 Neuberger Berman activity at all.

18 And to go to your point in reference to the
19 statements, yes, they said Neuberger Berman and we did
20 question it with them, but they also say all over them a
21 Lehman Brothers company. So we --

22 THE COURT: Yes, and I've already addressed the --

23 MS. DONAHUE: Yes.

24 THE COURT: -- the letterhead issue of a Lehman
25 Brothers company, in fact that's not inaccurate, because

1 Neuberger Berman was in fact owned by Lehman Brothers
2 Holding (sic) Inc., LBHI, and clearing functions were
3 performed by Lehman Brothers Inc., the broker/dealer,
4 because it was the only Lehman Brothers company that was
5 permitted to clear and close trades. It was a broker/dealer
6 licensed by the appropriate federal authorities. LBHI could
7 not do that, LBHI could not hold those securities.

8 So, I'm going to just --

9 MS. DONAHUE: I --

10 THE COURT: -- I'm going to go -- I'm going to ask
11 you one more follow-up question though. Where do you think
12 the \$203,000 is that you're asking to be returned to you?

13 MS. DONAHUE: I don't think we know at this point,
14 and I think that's the whole crux of the issue, Your Honor.

15 Two very quick things. I understand what you're
16 saying with regards to the names of the document, but we did
17 question it, we were told that that's just the way --
18 exactly what you said kind of -- that's just the way the
19 documents come out with the names on it, not to worry about
20 it, and to someone who's not perhaps a sophisticated
21 investor if you see that name on there I think, okay, it's
22 also Lehman Brothers, just a quick point to that. So we --
23 again, we believed that this was a Lehman Brothers account,
24 we have believed it since June 15th of 2007.

25 THE COURT: But you didn't mention that at all in

1 your proof of claim, you didn't mention that at all in the
2 letter indicating that you were going to file a multi-
3 million dollar suit against various individuals and
4 Neuberger Berman. That was never mentioned at that stage.

5 MS. DONAHUE: I think it's because -- well we also
6 sent the letters to Lehman Brothers, it wasn't just
7 Neuberger Berman, because we were trying to ascertain where
8 the money was, where the account was, they were completely
9 not forthcoming with the information.

10 THE COURT: So tell me --

11 MS. DONAHUE: My attorney tried for two years.

12 THE COURT: Tell me about the garnishment. Where
13 were those funds taken out of?

14 MS. DONAHUE: Those were taken out of a separate
15 account, Your Honor, and in fact were later returned, and
16 that was where we realized we had a problem because we
17 thought the account was in Lehman Brothers and all of a
18 sudden we're having a problem with Neuberger Berman, and we
19 said why are we even having a problem with you, you don't
20 maintain an account for us?

21 THE COURT: Are you a trustee --

22 MS. DONAHUE: And from --

23 THE COURT: Ms. Donahue, are you a trustee of the
24 TTSD Trust?

25 MS. DONAHUE: I was at the time, yes.

1 THE COURT: Are you a trustee of the TTSD Trust
2 now?

3 MS. DONAHUE: I don't -- you know, I'm not -- I
4 don't know, Your Honor. I mean I was. There's paperwork on
5 both sides. I have a document which gives me the right to
6 represent it right now from the current trustees.

7 THE COURT: From whom?

8 MS. DONAHUE: From the current trustees.

9 THE COURT: Well who are -- who is the current
10 trustee?

11 MS. DONAHUE: Adrian Slaffer (ph).

12 THE COURT: And what does that document that you
13 have -- what does the document say that you can do?

14 MS. DONAHUE: Well it gives me the right to follow
15 through on anything with this trust for when I was a
16 trustee. At this time and during all of this I was a
17 trustee.

18 THE COURT: Are you a beneficiary of the trust?

19 MS. DONAHUE: No, ma'am, I'm not. My children are
20 the beneficiaries.

21 THE COURT: Okay. If you would give me a moment,
22 please.

23 MS. DONAHUE: Sure.

24 THE COURT: So let me ask, is there anything else
25 that LBI would like to -- that the trustee would like to put

1 on the record?

2 MR. KOBAK: I don't believe so, Your Honor.

3 Again, this was always a Neuberger Berman account.

4 THE COURT: Okay. Give me a moment.

5 (Pause)

6 THE COURT: Ms. Donahue?

7 MS. DONAHUE: Yes, ma'am.

8 THE COURT: I've spent a lot of time reviewing
9 everything here, and I've spent also a lot of time reviewing
10 at this point hundreds, if not thousands, of Lehman claims,
11 and I am not seeing a claim here for the reasons that the
12 trustee has stated, and also because during the past hour as
13 I've gone back once again and looked at your materials,
14 there's a substantial departure from what your original
15 claim was stated to be and what your theory is now. You've
16 eluded to a number of things that I don't believe make a
17 difference as a matter of law.

18 The problem, and the only thing that's causing me
19 to pause, is the fact that you are not represented by
20 counsel, and under those circumstances I believe it's -- I
21 am under an extra obligation to give you every opportunity
22 to attempt to make out your case.

23 I do not think that you have a valid claim, nor do
24 I believe that based on anything that you've submitted and
25 that you've argued in your extensive papers or here today

1 would provide the basis for a claim.

2 However, having said that, if you believe you
3 could come to this courtroom, and that would be a
4 requirement, you would come to this courtroom and I would
5 permit you to put on evidence to attempt to establish your
6 claim, I would be willing to do that.

7 MS. DONAHUE: That is incredibly kind.

8 THE COURT: I'm sorry, and if you wish to retain
9 counsel in order to do that.

10 But I am telling you that the way things stand now
11 this was a Neuberger Berman account, it always was a
12 Neuberger Berman account, the only relationship with LBI was
13 that LBI at an earlier point in time was the clearing
14 broker, that function was clearly transferred to Ridge
15 pursuant to orders of this court, your consent was not
16 necessary for that transfer to have occurred, and that while
17 now it seems that there are vague, vague suggestions of some
18 kind of mismanagement or something, I have no ability to
19 identify anything you've said as a basis for a claim against
20 LBI or any other Lehman company for that matter.

21 So that's where things stand right now. It would
22 be -- I believe that a ruling expunging your claim is
23 correct and would be held up by any appellate court to which
24 you might appeal, which is certainly your right, that is
25 certainly your right, and I have to tell you I don't usually

1 spend an hour with a claimant on a sufficiency hearing, but
2 here we are.

3 So, I'll give you a chance to respond, and if you
4 would like to take me up on the opportunity, which I'm
5 reluctant to grant, because remember, this is a collective
6 proceeding and the more effort and funds that the trustee
7 has to expend to deal with any particular claim diminishes
8 the return to other valid claimants. But be that as it may
9 the trustee has a job to do, I have a job to do, and I'm
10 going to give you, I would say one more chance, and that
11 would be in the format of coming to this courtroom with or
12 without an attorney for a couple of hours if you would like
13 and put evidence on the record and attempt one last time to
14 convince me that you have a valid claim.

15 MS. DONAHUE: Well, thank you, Your Honor, I think
16 you've been more than generous with your time and I can't
17 tell you how much I appreciate it, and I would very much
18 like to take you up on that kind offer and try to do just
19 that, perhaps get an attorney and then try to do that.

20 THE COURT: Okay. But bear in mind this is not an
21 opportunity to come up with new claims and new theories.
22 We're going to be -- the issue to be tried will be based on
23 the original claim that you submitted and would have to be
24 attempting to demonstrate the things that you've told me
25 here today, such as the significance of the transfer from

1 Bank of Mellon New York, the concept that you somehow in
2 fact effectuated a transfer from Neuberger Berman to LBI,
3 all of the things that I found there's no evidence of.

4 But what I'm going to do is a transcript of this
5 hearing today will be ordered and will be produced, you can
6 contact the Hughes Hubbard firm and they will help you get a
7 copy, and then we're going to pick a date for you to come
8 and to have your opportunity to present anything more you
9 want in a further hearing, which will be an evidentiary
10 hearing.

11 So let's talk about some proposed dates for that.

12 MS. DONAHUE: Yes, Your Honor, I appreciate that.
13 Is it something that I could go over the date with Hughes
14 Hubbard, would that be acceptable or --

15 THE COURT: I --

16 MS. DONAHUE: Because I am --

17 THE COURT: I would like to pick a date --

18 MR. KOBAK: Your Honor, we --

19 THE COURT: -- because I'd like to move -- I need
20 to -- you've been given for good reason a number of
21 adjournments, and that's fine, but I need to move everything
22 along, because other claimants' claims of distributions are
23 held up when monies are set aside for various claims. So, I
24 want to pick a date. So let's do that now.

25 MS. DONAHUE: Yes, Your Honor. I would -- I do

1 think I am going to probably want to retain an attorney as
2 well, so I think that they may take a little bit of time as
3 well.

4 THE COURT: Well it's March.

5 MR. KOBAK: Your Honor, any time in early April
6 would be fine with the trustee, and hopefully the weather
7 will be decent by then. We would very much want to have the
8 date certain, this has been adjourned many times.

9 We ourselves suggested to the claimant that she
10 retain an attorney, some of the adjournments were supposedly
11 asked for for that purpose. The estate and our attorneys
12 have spent an inordinate amount of time on this claim, you
13 know, among other things various allegations have been made
14 by Ms. Donahue against me, against Ms. Grag (ph), against
15 many others with all kinds of -- or at least purportedly
16 have been made with all kinds of authority. So, I think --

17 THE COURT: All right. So --

18 MR. KOBAK: -- for everyone's interest we should
19 get this done --

20 THE COURT: Sure.

21 MR. KOBAK: -- once and for all.

22 THE COURT: For better or worse my April and May
23 is very, very booked, with among other things about a dozen
24 Lehman calendar days. So, I think the first date that works
25 in terms of my calendar for a block of time would be

1 June 17th at 2 o'clock.

2 MR. KOBAK: That's fine.

3 THE COURT: And -- so it's March 5th today, that
4 would give -- Ms. Donahue, that would give you three and a
5 half months, we would be solidly into a no snow -- hopefully
6 a no snow period of time, and even if it were to take you a
7 month to six weeks to identify a lawyer, I know it's very
8 important to you, but it is a relatively small universe of
9 documents and facts and time period, and that would give an
10 attorney ample time to come up to speed.

11 MS. DONAHUE: Oh, yes, Your Honor, absolutely.
12 And I probably don't want to mention that it's 72 degrees
13 here today, but okay, I've said it now.

14 THE COURT: Okay. Well we hope you enjoy that.
15 We are -- we're going to keep moving so that folks can try
16 to get home in a blizzard here today.

17 June 17th at 2 o'clock, and I will allocate three
18 hours for the entire presentation of the case, and I will
19 allocate -- I will give you two of those hours and I will
20 give the trustee one hour. So you will have the lion's
21 share of the time, and after you identify any counsel that
22 you would like to act on your behalf have him or her contact
23 the Hughes Hubbard firm and they can work through the
24 various things that I require in advance of an evidentiary
25 hearing, such as the identification of witnesses, the

1 identification of documents, and the like. All right?

2 Have a wonderful day. You can disconnect with the
3 line now.

4 MS. DONAHUE: Thank you, Your Honor.

5 THE COURT: Thank you. Okay.

6 MR. DYBECK: Your Honor, this is Donald Dybeck, I
7 have a special request if you would.

8 THE COURT: Sure.

9 MR. DYBECK: I have a dental appointment pretty
10 soon and my case is going to be really short, and if
11 anything it might be entertaining.

12 THE COURT: All right, we're going to go to that
13 right now.

14 MR. KOBAK: And can we be excused, Your Honor?

15 MR. DYBECK: Okay.

16 THE COURT: Yes, you may.

17 MR. KOBAK: Thank you.

18 THE COURT: Thank you.

19 MR. DYBECK: First of all, I'm a retired broker
20 from Smith Martin --

21 THE COURT: Hold on just a minute. Mr. Dybeck, I
22 have to give the attorneys for LBHI a chance to come up as
23 the attorneys for --

24 MR. DYBECK: Oh, okay.

25 THE COURT: -- the trustee leave. So just give me

1 -- give us one moment --

2 MR. DYBECK: Sure.

3 THE COURT: -- and let me get -- let me see who it
4 is that I'm going to be speaking to from the Weil, Gotshal
5 firm.

6 MR. DYBECK: Oh, thank you.

7 THE COURT: I'm guessing it's Mr. Miller.

8 MR. MILLER: Yes, Your Honor, Ralph Miller from
9 Weil, Gotshal & Manges here on the plan -- on behalf of plan
10 administrator, LBHI, also known as Lehman Brothers Holdings
11 Inc.

12 And, Your Honor, we were going to propose a short
13 summary that pertains to all of these claims, which is quite
14 short, and also report to the Court on contact so we can
15 deal with all these claims. I understand Mr. Dybeck --

16 THE COURT: Sure. Mr. Dybeck, what time is your
17 dentist appointment?

18 MR. DYBECK: It's at 11 a.m. I'm on the west
19 coast, and it takes me 20 minutes to get there.

20 THE COURT: Okay. So if we conclude here in the
21 next 20 minutes you'll be good to go?

22 MR. DYBECK: Yeah. Uh-huh.

23 THE COURT: All right. We're going to do that.
24 So let me let Mr. Miller proceed as he would like and then
25 we will give you the first opportunity to respond.

1 Go ahead, Mr. Miller.

2 MR. DYBECK: Thank you, Your Honor.

3 MR. MILLER: Yes, Your Honor.

4 The plan administrator has a group of objections
5 and omnibus objection 173, that all deal with deferred
6 compensation plans that are the responsibility of LBI,
7 Lehman Brothers Inc.

8 My colleague, Mr. Woolverton, handled the reminder
9 calls. We would like to put on the record those efforts. I
10 can at least tell the Court happily that of the original
11 nine claimants two or not going to be heard today. Mr. John
12 Waylan (ph) has formally withdrawn his claim --

13 THE COURT: Okay.

14 MR. MILLER: -- and one Mr. Edmond Finder (ph) has
15 been adjourned.

16 Very briefly do you want to -- if he might very
17 briefly tell you about the contact so you know
18 (indiscernible).

19 THE COURT: Sure. Hold on one second. All right,
20 go ahead.

21 MR. MILLER: Very briefly.

22 MR. WOOLVERTON: Good afternoon, Your Honor,
23 Alexander Woolverton on behalf of the plan administrator.

24 As you know Epiq served -- or as you may know Epiq
25 served both the reply and notice of this hearing by

1 overnight delivery to each of the claimant at issue today.
2 We do have delivery receipts that confirm the delivery of
3 the reply as well as affidavits of service of both the reply
4 and the notice of hearing that have been filed on the
5 docket.

6 As Mr. Miller has told you I personally attempted
7 to contact each of the nine claimants. And as Mr. Miller
8 also told you Mr. Waylan agreed to withdraw his claim and
9 this hearing is adjourned as to the claim of Mr. Edmond
10 Finder.

11 I did speak to three claimants individually and
12 they will not be appearing. Those claimants are
13 Mr. Morrison, Mr. Wagner (ph), and Mr. McGuin (ph).

14 When I spoke with Mr. McGuin he told me that he
15 had not personally received notice of this hearing, but that
16 he would check with his wife. I informed him that we would
17 be seeking to move forward with the hearing today and he
18 said that he would not appear and that he would not appear
19 telephonically. I have not since heard back from
20 Mr. McGuin.

21 THE COURT: Okay.

22 MR. WOOLVERTON: Both Mr. Collins and Mr. Dybeck
23 did say that they intend to be here --

24 THE COURT: And they are.

25 MR. WOOLVERTON: -- and they are indeed.

1 THE COURT: Okay.

2 MR. WOOLVERTON: And I left voicemail messages for
3 Mr. Fritz (ph) and Mr. Smith.

4 And that concludes my presentation about it.

5 THE COURT: Okay. Thank you very much.

6 MR. WOOLVERTON: Thank you.

7 MR. MILLER: Your Honor, very briefly, because
8 this applies I think to all of the claimants.

9 There are two deferred compensation plans in
10 issue. You can tell which claimant is under which plan by
11 looking at the copy of either the statement that they
12 submitted or --

13 THE COURT: Right.

14 MR. MILLER: -- in some cases letters that refer
15 to the statement, and conveniently the claimants I believe
16 are listed in alphabetical order, and the first six
17 claimants, Mr. Collins through Mr. Morrison, and that
18 includes Mr. Finder, who's been deferred, were under the LBI
19 executive and select employees plan, that includes
20 Mr. Dybeck who has asked to go first. The two remaining
21 later claimants are under the Smith Barney and Lehman
22 Brothers plan and it is also called an LBI plan.

23 There are two differences that are important and
24 this does pertain to Mr. Dybeck's claim in particular.

25 There's a subordination provision in the LBI

1 executive and select employees plan, which was the subject
2 of a proceeding in the LBI proceeding, and Mr. Dybeck made a
3 claim, for example, in the LBI proceeding, as did two of the
4 other claimants, Mr. Dybeck's claim was subordinated in the
5 LBI proceeding. And so frankly, even if he had a claim
6 here, which we'll explain he doesn't, it would be a
7 subordinated claim.

8 The other plan, the Smith Barney plan has the
9 interesting fact that there was a guarantee of that plan by
10 Citi, and that claimants were actually all paid their full
11 amount under that plan. And the claims of Mr. Smith and
12 Mr. Waylan were in fact expunged in the LBI proceeding as
13 already paid in full.

14 So there are -- we don't think we have to reach
15 actually either of those differences in the plan --

16 THE COURT: Right.

17 MR. MILLER: -- because all of these are LBI
18 plans.

19 Based on that, Your Honor, we'd be happy to let
20 Mr. Dybeck explain whatever he wants to talk about, and if
21 we could reserve some time I know Mr. Collins has some
22 material that he wants to bring to the Court's attention.

23 THE COURT: Yes. Okay. Mr. Dybeck, is there
24 anything you'd like to say?

25 MR. DYBECK: Well, yes.

1 First of all the main problem for me is that I
2 made an assumption in 1985 that these would be segregated
3 funds, and obviously they were not. And also that the rules
4 involved in ERISA type accounts might apply, and that also
5 doesn't apply in this case apparently.

6 And so I -- my reason for being here is just maybe
7 to tell a sob story if you'll indulge me for just a moment.

8 THE COURT: Go ahead.

9 MR. DYBECK: Well the sob story involves my 33
10 years employed with the same firm, although the name on the
11 doors change many times. I started with a (indiscernible)
12 firm in 1971 called Foster & Marshall in the Seattle area
13 and there have been at least a half a dozen mergers.

14 When Lehman was part of the program I signed up
15 for this voluntary deferred comp plan, and as people
16 sometimes do I didn't read all the small print, and you
17 know, was anxious to get some deferred comp.

18 I retired from my position in 2005, so I've been
19 retired ten years, and I was enjoying the annual payout from
20 this deferred comp plan until the last -- the number seven
21 check bounced, and we all know what happened after that.

22 Any event I got divorced in '94 and my ex-wife got
23 a very comfortable settlement based on the fact that I had
24 this deferred comp plan to rely on. Well now it's not
25 there.

1 Still I can get by without the money, but it's
2 kind of a hardship. My wife has cancer and I'm living on
3 essentially a fixed income, even though I've spent time with
4 the Red Cross at Katrina and Sandy, and you know, it's a sob
5 story.

6 So whatever you guys figure out for me that's
7 fine, I can get by without it, but it's kind of a -- it kind
8 of -- it's kind of troublesome. I couldn't afford to buy an
9 attorney. In six years and the three or four pounds of
10 paper that I've gotten in the mail it probably would have
11 cost me \$90,000 for my attorney to just look at that stuff.

12 So that's all I have to say.

13 THE COURT: Well --

14 MR. DYBECK: It's a sob story.

15 THE COURT: -- let me share with you in response
16 to what you had to say.

17 I've presided over these cases for a little over a
18 year now having inherited them from Judge Peck who presided
19 over them since the time of the filing back in 2008 and
20 oversaw the plan process and began to, but was not able to,
21 complete the claims process.

22 Since I've taken over this job one of the -- not
23 one of the, let me correct that. The hardest thing that I
24 had to do is to listen to stories like your own, and indeed
25 I presided over a very lengthy trial involving individuals

1 such as yourself who were employed for in some cases decades
2 by LBHI and who as part of their compensation were receiving
3 deferred compensation and promises of deferred compensation
4 in the form of restricted stock units and other types of
5 consideration. Many, many, many of them had very difficult
6 stories.

7 One woman in particular sticks with me because she
8 worked at a function at Lehman that was not an executive
9 function, she worked in the computer department and she was
10 instrumental in transitioning the Lehman computer systems
11 after the tragedies of 9/11, and then in the face of her own
12 personal tragedy losing her husband at a time when she had
13 two young daughters at home she continued to stick with
14 Lehman and very much relied on the prospect of getting her
15 deferred compensation.

16 And to her and to many, many other retirees and
17 individuals who relocated their families and who felt with
18 justification wronged by what had occurred I had to deny
19 their claims because I'm bound to follow the law and
20 interpret these undertakings that Lehman made to many of you
21 consistent with what the contract said, and indeed in your
22 words what all the fine print said.

23 And, you know, the good part about deferred comp
24 is that you have that promise of a payday down the road, but
25 sometimes it doesn't come to fruition.

1 The particular part of this story that you've told
2 me that resonates with me is of course with respect to your
3 wife and the divorce situation. And I can tell you without
4 giving you any advice, but that after the terrible tragedy
5 of the Madoff Ponzi schemes, which was on a par but a
6 different type of tragedy than the Lehman Brothers cases,
7 there were many divorces that were affected by exactly the
8 types of circumstances you're describing.

9 MR. DYBECK: Uh-huh.

10 THE COURT: In other words in reliance on funds
11 that parties believed that they had based on the statements
12 that Mr. Madoff was sending them divorces and settlements in
13 connection with divorces were had, only to find out after
14 the fact that in fact those funds weren't there. And I
15 believe that some of those cases went up to appeal here in
16 New York. I'm not sure what the ultimate outcome was, but
17 it is a particular circumstance that's particularly
18 unfortunate in your case.

19 I can tell you with 100 percent confidence that
20 based on the type of claim that you have whether or not you
21 had an attorney would not have made any difference.

22 MR. DYBECK: Well that's good to know.

23 THE COURT: The \$350 million in similar claims,
24 although they were LBHI claims that I did not allow, over
25 100 of those claimants I believe were represented by

1 counsel, and those matters are now up on appeal. So, I do
2 not believe that having had an attorney would have made any
3 difference, because for better or worse these are not claims
4 that I can allow against LBHI, and as Mr. Miller indicated
5 at the top of the hearing, they are subordinated.

6 So, I appreciate your fortitude and your making
7 time to come here today, and I wish from the bottom of my
8 heart that I could do something else, but I cannot.

9 MR. DYBECK: Well, I certainly appreciate your
10 kind words. And just knowing that there are others who were
11 far worse off than me is reassuring, but also the fact that
12 your words make me feel like somebody cares. And, you know,
13 so, I'm fine with all this, you know, you do what you have
14 to do.

15 THE COURT: I wish you a very good day, sir --

16 MR. DYBECK: Thank you very much.

17 THE COURT: -- and the very best of luck. You can
18 disconnect from the line now.

19 All right. I think that leaves us with
20 Mr. Collins. Are you still there, sir?

21 MR. COLLINS: Yes, I am.

22 THE COURT: Okay. Let me put something on the
23 record.

24 We received literally as I was putting on my robe
25 to come out here for the hearing at noon today a letter that

1 we have since placed on the docket directed to me. My
2 understanding is that counsel for Lehman has the document.
3 Attached to the document, which I have not looked at, is a
4 document that I've been given to understand contains some of
5 the back and forth regarding settlement of this claim.

6 The rules of the road, which you will have no way
7 of knowing, are that settlement discussions between parties
8 to a litigation to a lawsuit, which is what this in essence
9 is, are not permitted to reveal settlement discussions that
10 they've had.

11 So, I now understand it appears that there have
12 been settlement discussions. The existence of those
13 settlement discussions or any numbers that have been
14 exchanged in connection with those settlement discussions
15 are not something that I am permitted to know or can take
16 into consideration in deciding the merits of your claim.

17 Mr. Miller's recitation of the reasons why your
18 claim cannot be allowed are in my mind accurate. If there's
19 something that you would like to say before I rule I'd be
20 happy to hear you.

21 MR. COLLINS: Well a couple of points.

22 First, you know, this whole process started back
23 in '08. I was given a -- I'm told now my claim was filed
24 against the wrong entity, but on the proof of claim form --
25 I don't know if you have that there or not -- that I

1 initially filed in 2008, you know, for any normal person to
2 not file against Lehman Brothers Holding (sic) Inc. after
3 getting this form would not be able to file against Lehman
4 Brothers Inc. If you look at the form closely --

5 THE COURT: Okay. Hold -- Mr. Collins, hold on.
6 Hold on. You're not being criticized for having filed
7 against the wrong debtor. Your claim against LBHI is
8 duplicative of the claim that you filed against LBI.

9 MR. MILLER: Your Honor, I don't believe that is
10 true.

11 MR. COLLINS: I didn't file a claim against LBI.

12 THE COURT: I'm sorry, hold on a second. I'm
13 sorry, that was wrong, I withdraw that statement. Go ahead,
14 keep going, sir.

15 MR. COLLINS: Okay. So on the claim form it says
16 In re: Lehman Brothers Holdings Inc., et al., debtors. And
17 the next line it says name of debtor against which claim is
18 held, which I have to fill in. And on the back page of this
19 proof of claim it lists the name of all the debtors and the
20 case numbers, okay? That's the next column I've got to fill
21 in. And nowhere is it ever listed Lehman Brothers Inc. with
22 a case number. So in my filling this out (indiscernible) to
23 Lehman Brothers Holdings Inc., which as you know LBI was
24 always the wholly-owned subsidiary of that entity. So
25 that's just common sense tells you that what you have to do.

1 There's nothing on this form that specifies Lehman Brothers
2 Inc. and the bankruptcy number. The only time I saw that
3 was when I received the notice from Lehman's attorney saying
4 that this court case was a SIPC and obviously your initials.
5 So now I'm saying that that was -- I'm told in prior
6 discussions that that was filed against the wrong people.

7 Several years after it was filed and actually
8 accepted by Epiq, which I realize Lehman always could have
9 contested or to try to deny the claim, but so now my
10 predicament is it's gone past the LBI filing, as I
11 understand it, that I would be too late for that.

12 And so I've looked at that constantly and I sent
13 you the letter I wrote, you probably haven't had a chance to
14 read the letter, but you know, simple common sense, you
15 know, will tell us that LBI was a directly -- direct
16 liability of LBHI.

17 THE COURT: Okay. Mr. Collins, let me stop you
18 there, because you say that, but as a matter of law that's
19 not so. The liabilities of LBI and LBHI are distinct, and
20 it has been ruled as much by Judge Peck previously in this
21 case as well as by me on other occasions when individuals
22 like yourself say it's all the same thing, it's Lehman. And
23 your plan documents -- the plan documents -- let's put aside
24 the poof of claim, okay?

25 I sympathize with what you're saying with respect

1 to how confusing this all might have been, but your claim is
2 as a -- is with respect to amounts owing to you by LBI, not
3 LBHI, and there's no mixing together of the entities and
4 there's no veil piercing. The estates are distinct, they
5 always will be distinct. The employees of LBI -- former
6 employees of LBI, such as yourself, have whatever rights
7 they have in the LBI proceeding, but they have no rights in
8 the LBHI case unless there are other grounds to assert
9 claims other than their status as LBI employees.

10 Now you say in your letter, which was filed on
11 September 20th, 2011, addressed to whom it may concern, as
12 the Court is aware Lehman Holdings Inc., which I assume you
13 meant Lehman Brothers Holdings Inc., the debtor, has assumed
14 these obligations, and that's simply not true. That's
15 simply not true.

16 So as Mr. Miller stated at the outset, to the
17 extent that these are -- is a claim that was assertable
18 against LBI it's already been found that it is a
19 subordinated claim, and there's no other basis for your
20 having an allowable claim against LBHI.

21 So, I guess what I'm trying to say is that the
22 basis -- the underlying basis of not allowing your claim
23 really doesn't turn on what you were talking about at the
24 beginning of having, you know, mistakenly filed this against
25 LBHI, because at the end of the day it wouldn't have

1 mattered.

2 MR. COLLINS: Let me say that I wasn't -- when I
3 made that I started from it because what I'm trying to tell
4 you is that proof of claim, I wasn't mistakenly filing
5 against the wrong entity, I filed against Lehman Brothers
6 Holdings Inc. I was told later that must have been a
7 mistake I made for various different reasons, but I was
8 filing against Lehman Brothers Holdings Inc. because I
9 believed they're responsible. And you're telling -- so what
10 you're saying is LBHI has no responsibility to participants.

11 THE COURT: That's correct.

12 MR. COLLINS: Okay. Well can I ask you this
13 question then? Why in the prospectus when they went public
14 Lehman Brothers Holdings Inc. in 1994, their prospectus they
15 aid American Express annual fee of .625 percent on all of
16 the outstanding balances in the employee comp plan,
17 including the one I was in, ESOP. If they had no
18 responsibility for that plan and no obligation to
19 participants why would LBHI pay someone else to make them a
20 guarantee and not -- why didn't LBI do it?

21 THE COURT: Let me ask Mr. Miller if he can answer
22 your question because I certainly can't.

23 MR. MILLER: Yes, Your Honor, I can.

24 The answer is a little bit complicated, but
25 actually Mr. Collins has conveniently provided all the

1 documents necessary to answer it.

2 THE COURT: Okay.

3 MR. MILLER: If you look at the statement that was
4 provided to Mr. Collins one of the points that it makes is
5 that he has selected what is called Option 1, and that is if
6 you look right under his name and then it has his social
7 security number it says, option selected Option 1.

8 THE COURT: Let me -- I'm in tab F.

9 MR. MILLER: Yes, Your Honor.

10 THE COURT: Okay.

11 MR. MILLER: And this is about -- this is just
12 after the -- there may be a blue sheet, I think right behind
13 his proof of claim form, which I'm not sure if the proof the
14 claim is in tab F.

15 THE COURT: The tab F that I have is --

16 MR. MILLER: Okay. Well we have a copy of his
17 proof of claim.

18 THE COURT: -- Mr. Collins' September 2011 letter
19 and then a memorandum on letterhead of Shearson Lehman
20 Brothers Inc. dated 1985.

21 MR. MILLER: Okay. May I approach, Your Honor,
22 and I'll provide a copy of --

23 THE COURT: Sure.

24 MR. MILLER: -- the proof of claim.

25 THE COURT: Okay. Mr. Collins, Mr. Miller is

1 handing me up your proof of claim. Do you have a copy?

2 MR. COLLINS: Of my original proof of claim --

3 THE COURT: Yes, sir.

4 MR. COLLINS: -- from September of '09?

5 THE COURT: September 17th, 2009 proof of claim.

6 MR. COLLINS: Okay.

7 THE COURT: Okay? And it's the proof of claim

8 form and then there's a Lehman Brothers statement, and

9 Mr. Miller's pointing me to something, which is what again,

10 Mr. Miller?

11 MR. MILLER: If you look right under his name,

12 social security number, which is just the last four digits,

13 it says --

14 THE COURT: Yes.

15 MR. MILLER: -- option selected Option 1.

16 THE COURT: Yes, I see that.

17 MR. MILLER: All right. If you flip back through

18 the forms that are attached to claim form you will come to a

19 document, I believe, which has a description of the plan --

20 THE COURT: The --

21 MR. MILLER: -- which is the Shearson Lehman

22 Brothers Inc. executive and selective employees plan.

23 THE COURT: I'm there.

24 MR. MILLER: All right.

25 THE COURT: Okay.

1 MR. MILLER: If you flip over, Your Honor --

2 THE COURT: Mr. Collins are you following along?

3 MR. COLLINS: I know what he's -- I'll have to
4 find it, but I know what he's referring to.

5 THE COURT: Okay.

6 MR. MILLER: All right. If you flip over to
7 page 3 you will see Option 1, the original ESEP and you will
8 see that the second sentence says, this is -- "These
9 different options have factors related to an American
10 Express guarantee." Option 1 it says:

11 "If you elect Option 1 no changes will be made to
12 your ESEP agreement and the American Express Company
13 guarantee as described later will not apply any of the
14 deferred compensation payable under the ESEP agreement."

15 This is the option he selected.

16 The other options, 2, 3, and 4, which I won't bore
17 the Court with, have a description of this American Express
18 Company guarantee, and basically American Express guaranteed
19 the collection by the participant to the extent that
20 payments were due on or before August 9, 2000. This was
21 apparently an employee retention arrangement of some sort
22 when American Express spun off Shearson Lehman Brothers,
23 which is the prior name for LBI.

24 That guarantee, according to Mr. Collins, the fee
25 for that guarantee apparently was paid by LBHI, the acquirer

1 of the assets from American Express, technically in that
2 transaction.

3 So, I guess the point of that is, number one, this
4 has nothing to do with Mr. Collins because he selected
5 Option No. 1.

6 Number two, the American Express guarantee was
7 over and done with August 9, 2000.

8 And number three, the fact that the acquirer of
9 assets from American Express paid something to offer a
10 guarantee to the former American Express employees, if they
11 selected it, also has nothing to do with alter ego or
12 piercing the corporate veil.

13 Long answer, but I believe actually Mr. Collins
14 has given us the documents to answer the question.

15 THE COURT: Okay. Mr. Collins?

16 MR. COLLINS: So you're telling me that LBHI
17 bought the assets of LBI and that's how I was assumed into
18 this?

19 MR. MILLER: Well American Express spun off assets
20 which were acquired by LBHI in the form of stock and the
21 Lehman -- what was the original name at that time I think
22 was, it was called Shearson Lehman Brothers, which is a name
23 change that became LBI, and you presumably were an employee
24 that had a compensation plan already in place from the
25 predecessor entity when it was owned by American Express and

1 you selected apparently to keep the same plan in place.

2 So --

3 MR. COLLINS: So when the company was spun off in
4 1994 from American Express and it was a new company, Lehman
5 Brothers Holdings Inc. stock, LBI was a part of that,
6 correct?

7 MR. MILLER: LBHI was the holding company --

8 MR. COLLINS: Right.

9 MR. MILLER: -- that acquired the stock, I
10 believe.

11 THE COURT: LBHI was the holding company that
12 acquired the stock.

13 MR. MILLER: I believe that's correct. Is that?
14 We think that is -- I think that's the correct -- yes, Your
15 Honor. And LBHI as a part of its acquisition of stock from
16 American Express paid American Express a fee for a guarantee
17 that American Express also provided.

18 MR. COLLINS: So they assumed then the operation I
19 guess of this ESOP plan, correct?

20 THE COURT: No, that's not correct.

21 MR. MILLER: That's not --

22 THE COURT: That is not -- that's not correct,
23 Mr. Collins. What Mr. Miller is describing basically the
24 flow of consideration in connection with an asset
25 acquisition of American Express. So the payments that you

1 are pointing to as evidence of the contention that I ought
2 to treat LBI and LBHI as one in the same in fact is not
3 evidence of that. There is -- it has been established and
4 held countless times in this case that LBI and LBHI are
5 distinct entities and those employees of LBI who don't have
6 any other basis for claiming that they are owed money by
7 LBHI simply do not have allowable claims against LBHI, and
8 based on your submission it appears that that's the essence
9 of your claim and it does not hold up as a legitimate basis
10 for having an allowed claim against LBHI.

11 MR. COLLINS: Are you saying to me that the
12 holding company here after being -- becoming independent
13 public in 1994 had no control -- operating control over LBI
14 whatsoever?

15 THE COURT: Mr. Collins, we're going to wrap this
16 up in a bit now, but let me give you a little bit of further
17 observations.

18 All the time in public companies, non-public
19 companies corporations have parents, corporations have
20 subsidiaries, corporations have affiliates, and as long as
21 the corporate formalities are observed and accounts are kept
22 separately and one can tell whose assets are whose and whose
23 liabilities are whose, the mere fact that entities are part
24 of the same corporate family does not give rise to liability
25 by one corporation for the assets -- for the liabilities of

1 another corporation in the family.

2 So let me say that to you the way Judge Peck said
3 it on at least one occasion in this case and it is what's
4 called the law of the case, which means that it is a
5 pronouncement of the court in this case and it is binding as
6 a matter of the law that applies going forward in the case.

7 In Judge Peck's words:

8 "These estates, that of LBI and LBHI, are distinct
9 and will always remain so. The employees of LBI have
10 whatever rights they have in that proceeding. They have no
11 rights in the LBHI case, unless of course they have other
12 grounds to assert claims other than their status as LBI
13 employees."

14 Those are the words of Judge Peck in a hearing
15 that was held in this court on November 22nd, 2013. I've
16 said them probably a dozen times since I took over the
17 oversight of this case over a year ago, and it remains true
18 today.

19 I can hear your frustration, but --

20 MR. COLLINS: What you're saying is I filed in the
21 wrong place.

22 THE COURT: No, I -- sir, I've had a tremendous
23 amount of patience, about 20 minutes ago I said you did not
24 file in the wrong place, I said that you believed that -- if
25 you believed you had a claim against LBI I've now explained

1 several reasons why you do not. Mr. Miller himself has
2 articulated very clearly why you do not have a claim against
3 LBHI.

4 What I said in addition was had you filed the
5 claim against LBI it would be a subordinated claim and it
6 would not be entitled to any recovery because of the terms
7 of the plan, the LBI plan of which you are part.

8 So to state it in a different fashion, there is no
9 root that I can discern to a recovery on account of your
10 belonging to the plan to which you belonged as an employee
11 of LBI.

12 MR. COLLINS: So let me just conclude and ask this
13 question. So you're saying that any member of the ESOP plan
14 for the most part is subordinated and there's going to be no
15 claim payout.

16 THE COURT: Mr. Miller?

17 MR. MILLER: Your Honor --

18 THE COURT: It's very hard to, and I think in
19 inappropriate for me to give you a pronouncement with
20 respect to claims that are not before me today. Any claims
21 that are identical to yours will be or will have been
22 treated in the identical way. One thing that I've learned
23 over the past year is that there were many, many
24 permutations and flavors of these deferred compensation
25 programs, and I cannot tell you that there isn't some form

1 of it out there that might be entitled to different
2 treatment. But I can tell you that any claim that's
3 identical to yours, barring some other independent basis for
4 an allowed claim against LBI or LBHI, would be and has been
5 treated in the same way.

6 MR. MILLER: And, Your Honor, for convenient
7 preference in our response -- excuse me -- our reply, which
8 was sent to Mr. Collins, in paragraph 5 we summarized the
9 status of these claims. Three of the claims that are before
10 the Court today, Mr. Morrison's, Mr. Dybeck's, and
11 Mr. McGuin's, those three claimants had five claims between
12 them because Mr. Dybeck happened to have three claims
13 himself. Mr. Dybeck's three claims were subordinated and we
14 give the ECF number for that ruling.

15 THE COURT: Okay.

16 MR. MILLER: The claims of Mr. McGuin and
17 Mr. Morrison are subject to an objection and subordination,
18 but there's been no ruling on those claims yet. And those
19 were the three claimants I was referring to.

20 Mr. Collins, according to my records, did not file
21 a claim in LBI. Obviously by extension if he had he would
22 probably be in this group and would be subjected at least to
23 the objection and the request for subordination. I think
24 that's the accurate statement.

25 THE COURT: Right. That's what I've been trying

1 to explain, but I appreciate your clarifying that.

2 MR. MILLER: All right.

3 THE COURT: So, Mr. Collins, that's where we are.

4 Mr. Miller is going to -- so your claim is not going to be

5 allowed. Mr. Miller is -- as we do after these hearings is

6 going to provide me with an order that reflects the

7 disposition of all the claims that were heard on today's

8 calendar. He can send you a copy of that order. It will

9 incorporate the reasons that I've put forth on the record

10 today as the reasons for my ruling. And if you wish to

11 appeal the decision today that is your right and you can do

12 that on the basis of the order and on the transcript of

13 today's proceedings, but beyond that I can't give you any

14 further advice or direction with respect to what else you

15 may do.

16 MR. COLLINS: Okay. Thank you.

17 THE COURT: Okay. Thank you, sir.

18 MR. MILLER: Unless there are any other questions,

19 Your Honor, we'll submit an order.

20 THE COURT: Very good. Thank you, Mr. Miller.

21 MR. MILLER: Thank you for your time.

22 THE COURT: Thank you everyone for your patience

23 and get home safely.

24 UNIDENTIFIED SPEAKER: Thank you, Your Honor.

25 THE COURT: Thank you, Karen.

1 (Whereupon these proceedings were concluded at 1:49 PM)
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I N D E X

RULINGS

PAGE

Doc #9529 Two Hundred Fifty-Fifth Omnibus Objection
to General Creditor Claims re: Claim of TTSD Trust
U/A/D 6/7/07 (Claim No. 9001006)

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Doc# 19399 One Hundred Seventy-Third Omnibus Objection
to Claims (No Liability Employee Claims)

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1 C E R T I F I C A T I O N

2

3 I, Dawn South, certify that the foregoing transcript is a
4 true and accurate record of the proceedings.

5

Dawn South

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Date: March 9, 2015

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